



  
**puregold**  
dream big

September 2017  
PGM:TSX-V

# FORWARD LOOKING STATEMENT

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## **Cautionary Statement on Forward-Looking Information & Statements**

This presentation contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Company's expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements.

In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of precious metals; the viability of restarting operations at the Madsen Project; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Madsen Project.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and statements. Such factors include, but are not limited to, fluctuations in the price of gold and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the accuracy of the Company's current estimates of mineral resources and mineral grades and its preliminary economic assessment, the accuracy of the geology and vein structures at the Madsen Project, the maintenance of access to surface rights, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits and the ability of the Company to re-start operations at the Madsen Project. Many of these uncertainties and contingencies can affect the Company's actual performance and could cause actual performance to differ materially from those expressed or implied in any forward-looking information and statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of gold, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents, labour disputes, and the inability of the Company to re-start operations at the Madsen Project. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. Please see the Company's Annual Information Form dated June 16, 2017 available on the Company's website at [www.puregoldmining.ca](http://www.puregoldmining.ca) or on the Company's Sedar profile at [www.sedar.com](http://www.sedar.com), for details of other risks facing the Company.

The Company disclaims any intention or obligation to update or revise any forward-looking information and statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Phil Smerchanski, P.Geo., Vice President, Exploration for the Company and a "Qualified Person" under National Instrument 43-101, has reviewed and approved the scientific and technical information in this presentation.

**All currencies are reported in Canadian dollars unless otherwise specified.**

## TEAM

**Owners team in place** with expert technical knowledge

## GRADE

Current mineral resource – **1,648,000 ozs at 8.9 g/t** Gold in 5.79 Mt Indicated and **178,000 ozs at 9.4 g/t** Gold in 0.59 Mt Inferred<sup>(1)</sup>

## JURISDICTION

**Red Lake, Ontario, Canada** – an established mining district with more than 28 million ounces of high grade gold produced to date<sup>(2)</sup>

## INFRASTRUCTURE

Significant infrastructure including **mill and tailings facility**, shaft, portal and decline on provincial highway and power grid

## GROWTH

**Significantly expanded mineral resource**, ongoing drilling program from surface and underground, resource update planned for Q417

## NEAR TERM

Madsen underground re-opened – **Positive PEA delivered**

(1) The resource estimate reported herein for the Madsen Gold Project is set out in the NI 43-101 technical report "Madsen Gold Project 2017 Mineral Resource" with an effective date of August 2, 2017.

(2) Compiled from Ontario geological survey reports

# Pure Gold Mining

## DIRECT RED LAKE EXPERIENCE



### Management & Technical Team

#### **Darin Labrenz, President, CEO & Director**

- Former VP Business Development, Terrane Metals Corp.
- Former Chief Geologist, Placer Dome's Campbell Mine

#### **Sean Tetzlaff, CFO & Corporate Secretary**

- Co-founder of Oxygen Capital Corp.
- Former CFO, VP Finance & Corporate Secretary of Fronteer Gold
- Former CFO of Aurora Energy Resources

#### **Phil Smerchanski, Vice President, Exploration**

- More than 15 years exploration experience, including a decade exploring North America with major global companies
- Consultant to several high profile mining companies, including as technical advisor to Goldcorp on near-mine exploration in Red Lake

#### **Ken Donner, Vice President, Operations**

- Professional Engineer with over 30 years of mining industry experience
- Former mine construction manager at AMEC
- Extensive experience in mine development and operations, including Leeville, Macraes, Snip Lake, Julietta and Snip Mines

#### **Christopher Lee, Chief Geoscientist**

- More than 25 years' experience in mineral exploration & resource evaluation, primarily focused on gold deposits
- Former Chief Geoscientist of Fronteer Gold, Aurora Energy & True Gold
- A semi-finalist in the Goldcorp Challenge

### Board of Directors

#### **Graeme Currie, Chairman**

- Former Director, Investment Banking at Canaccord Genuity
- Former Senior Mining Analyst at Canaccord Genuity
- Current Director of Balmoral Resources

#### **Mark O'Dea, Director**

- Former Executive Chairman of True Gold Mining
- Current Chairman of Pilot Gold
- Co-founder of Oxygen Capital Corp.
- Former President & CEO of Fronteer Gold
- Placed second in the Goldcorp Challenge

#### **Rob Pease, Director**

- Former President & CEO of Sabina Gold & Silver
- Former President & CEO of Terrane Metals
- Former Manager, Canada Exploration & Global Projects at Placer Dome

#### **Troy Fierro, Director**

- Mining engineer with more than 30 years of industry experience
- Former COO of Fronteer Gold
- Former Vice President Operations at Metallica Resources

#### **Len Boggio, Director**

- Former Partner with PricewaterhouseCoopers LLP; led PwC's mining industry practice

#### **Darin Labrenz, President, CEO & Director**

# Pure Gold Mining

## CAPITAL STRUCTURE



### Capital Structure (as at September 12, 2017)

<b>Shares Outstanding</b>	<b>191.6 million</b>
<b>Options Outstanding</b> <i>Weighted average exercise price \$0.34</i>	<b>13.2 million</b>
<b>Fully Diluted Shares Outstanding</b>	<b>204.8 million</b>
<b>Cash &amp; Marketable Securities<sup>(1)</sup></b>	<b>\$5 million</b>
<b>Basic Market Capitalization<sup>(1)</sup></b>	<b>~\$111 million</b>

Note: all \$ amounts shown are in Canadian currency

### Key Shareholders<sup>(2)</sup>

<b>Management &amp; Directors</b>	<b>4.9%</b>
<b>Strategic Shareholders</b>	<b>27.3%</b>
<i>AngloGold Ashanti</i>	<i>10.8%</i>
<i>Evanachan Ltd. (Robert McEwen)</i>	<i>9.4%</i>
<i>Goldcorp Inc.</i>	<i>7.2%</i>
<b>Institutional Shareholders<sup>(2)</sup></b>	<b>14.4%</b>

### Analyst Coverage



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**Mick Carew**  
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**Michael Gray**  
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**Tara Hassan**  
416.777.6372



**Kevin MacKenzie**  
604.643.7357

(1) Basic market capitalization and cash and marketable securities as at September 12, 2017 (based on Pure Gold's closing share price on the TSXV of C\$0.58 on September 12, 2017)

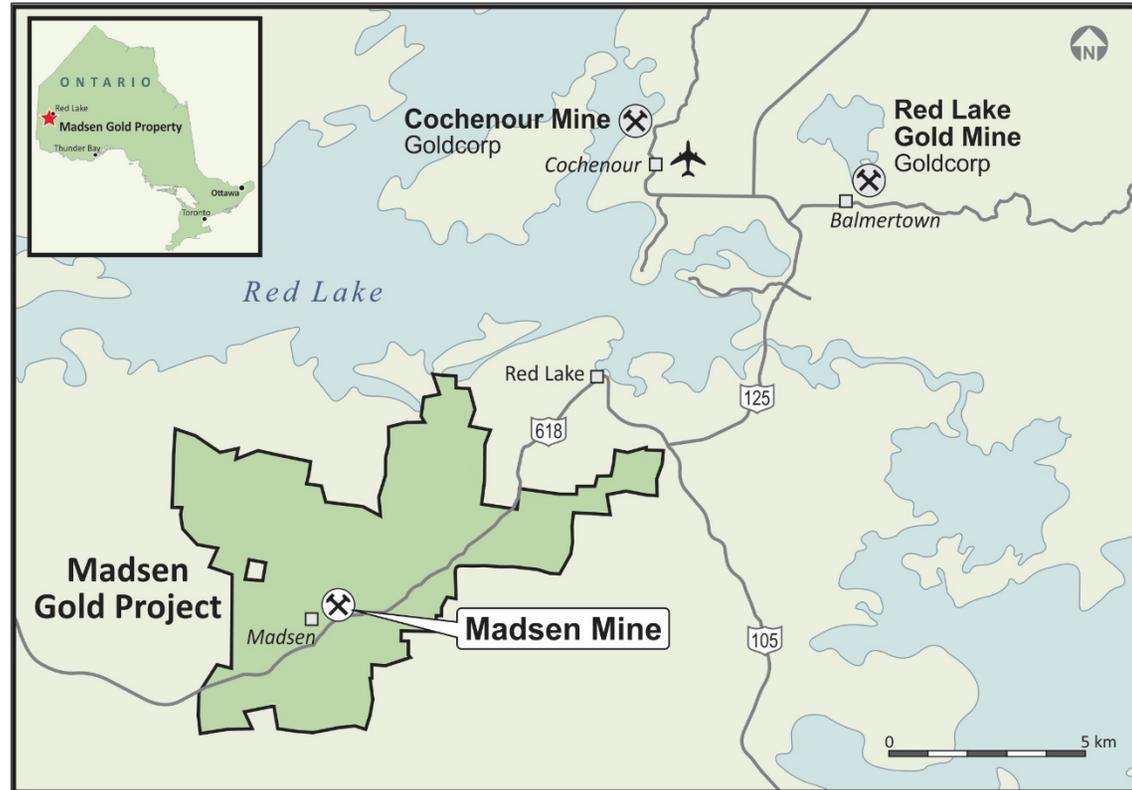
(2) Percentage ownership based on basic shares outstanding; ownership information based on public disclosure

## Madsen Gold Project

**2.45 million oz**  
HISTORICAL PRODUCTION <sup>(1)</sup>

**1.65 million oz**  
INDICATED RESOURCE <sup>(2)</sup>

**0.18 million oz**  
INFERRED RESOURCE <sup>(2)</sup>



Current Mineral Resource<sup>(2)</sup>:

1,648,000 ozs at 8.9 g/t Gold in 5.79 Mt Indicated

178,000 ozs at 9.4 g/t Gold in 0.59 Mt Inferred

(1) Compiled from Ontario geological survey reports

(2) The resource estimate reported herein for the Madsen Gold Project is set out in the NI 43-101 technical report "Madsen Gold Project 2017 Mineral Resource" with an effective date of August 2, 2017.

# Madsen Mine & Mill

## +\$200 MILLION OF EXISTING INFRASTRUCTURE<sup>(1)</sup>



(1) Management estimate to replace existing infrastructure at current cost estimates

# Madsen Gold Project

## INFRASTRUCTURE IN PLACE



# PRELIMINARY ECONOMIC ASSESSMENT

	2017 PEA <sup>(1)</sup>
Pre-Tax / After-Tax IRR	54% / 47%
Pre-Tax / After-Tax NPV <sub>5%</sub>	\$365 / \$258 million
Pre-Tax & After-Tax Payback	2.7 / 2.8 years
Pre-Production Capex	\$51 million
Average Annual Production Years 3-9	~75,500 ozs Au
Peak Annual Production	~85,000 ozs Au
Base Case Gold Price	US\$1,275/oz

- Total gold production of ~911,500 ounces over a 14 year mine life at an average diluted head grade of 10.3 g/t gold <sup>(1)</sup>
  - ✓ Underground mining operation with access via the Madsen portal
  - ✓ Ramp based development to a depth of 1,430 metres

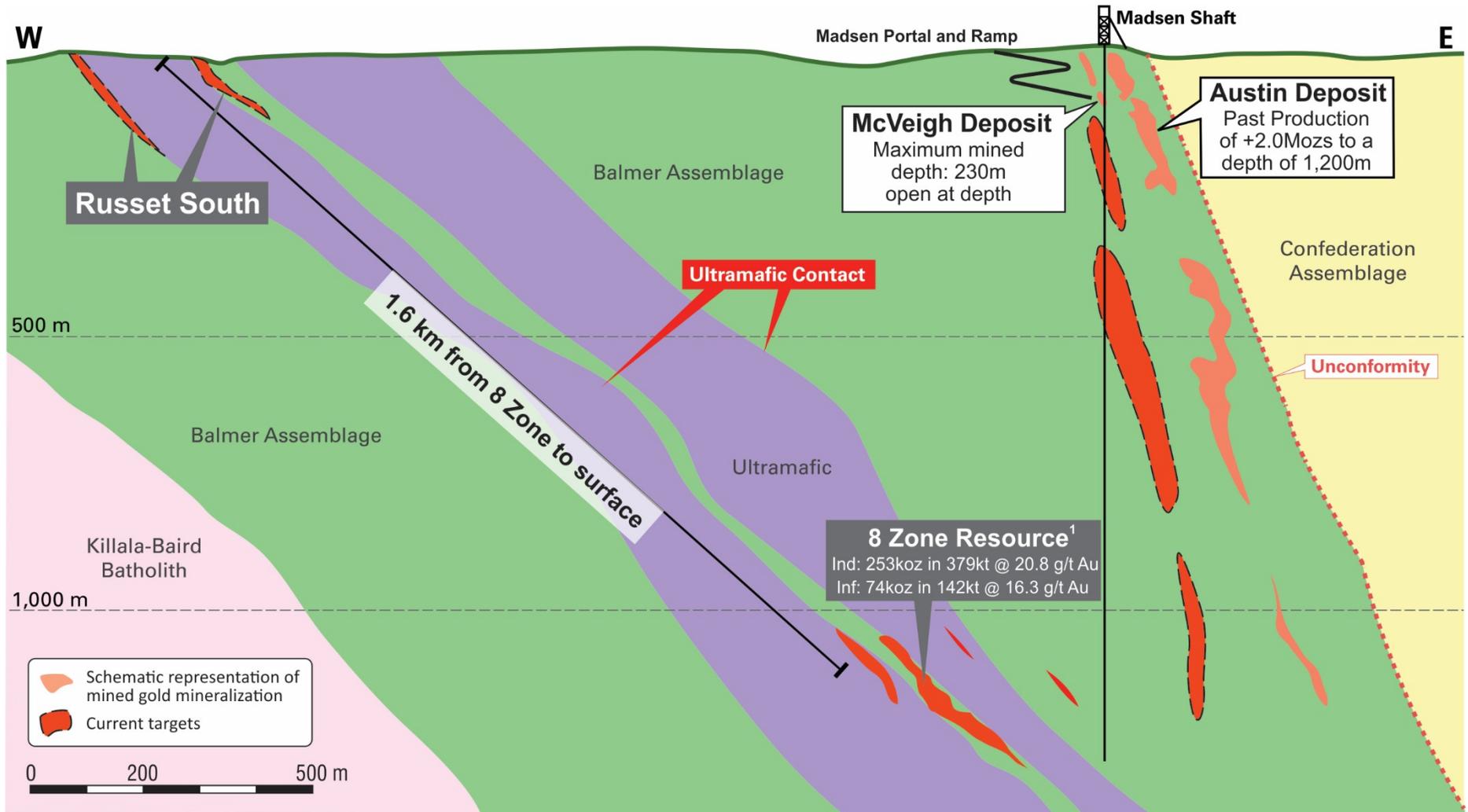
Potential for long life high margin mine, with low initial capital requirements and a fast timeline to production

(1) For further details see news release dated September 14, 2017. Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.80. All currencies are reported in Canadian dollars unless otherwise specified. The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized.



# Madsen Target Settings

## MULTIPLE GOLD ZONES OPEN FOR EXPANSION



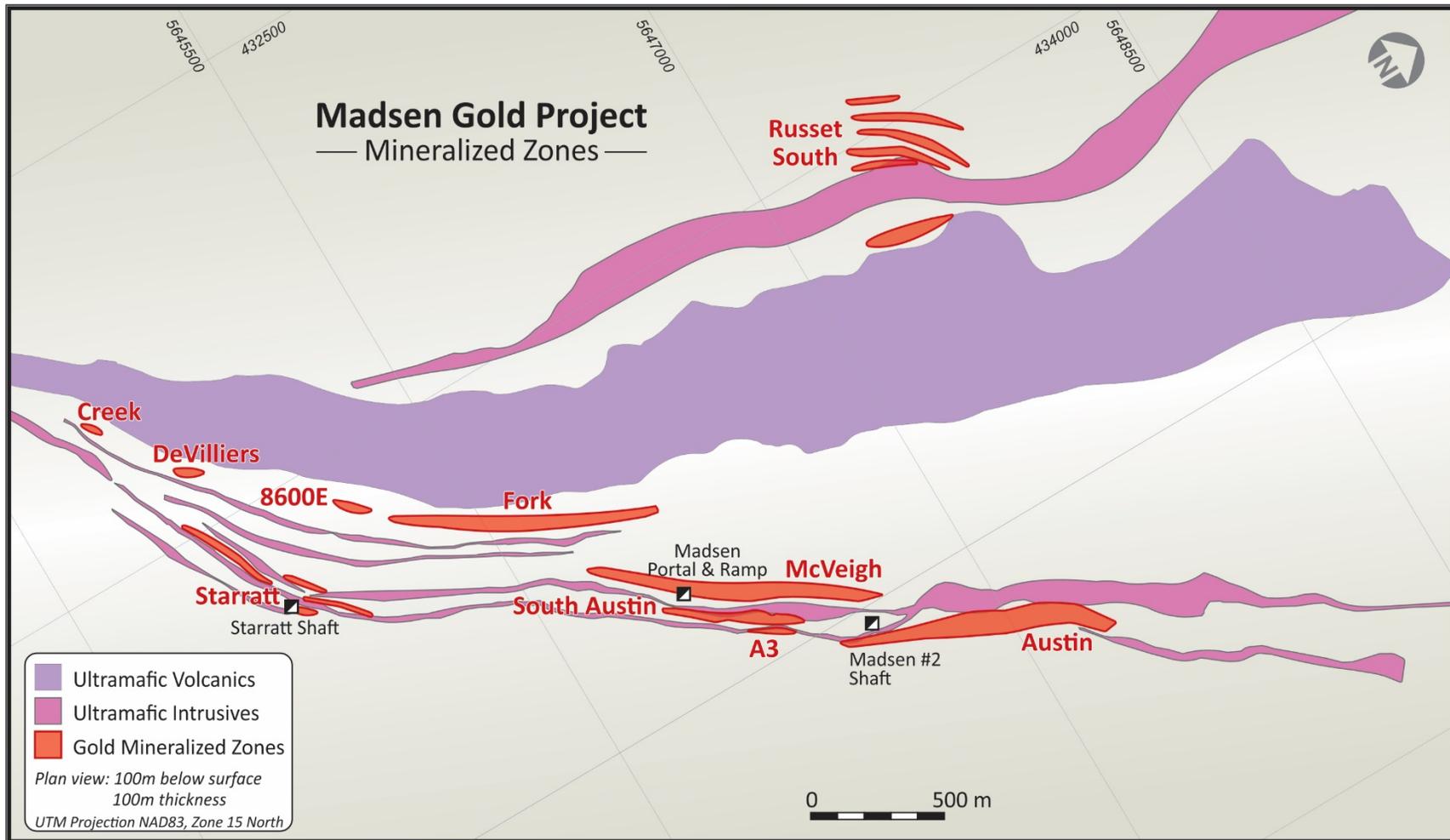
Note: Mine workings and geologic contacts in this image are schematic.

(1) The resource estimate reported herein for the Madsen Gold Project is set out in the NI 43-101 technical report "Madsen Gold Project 2017 Mineral Resource" with an effective date of August 2, 2017.

# Madsen Gold Project

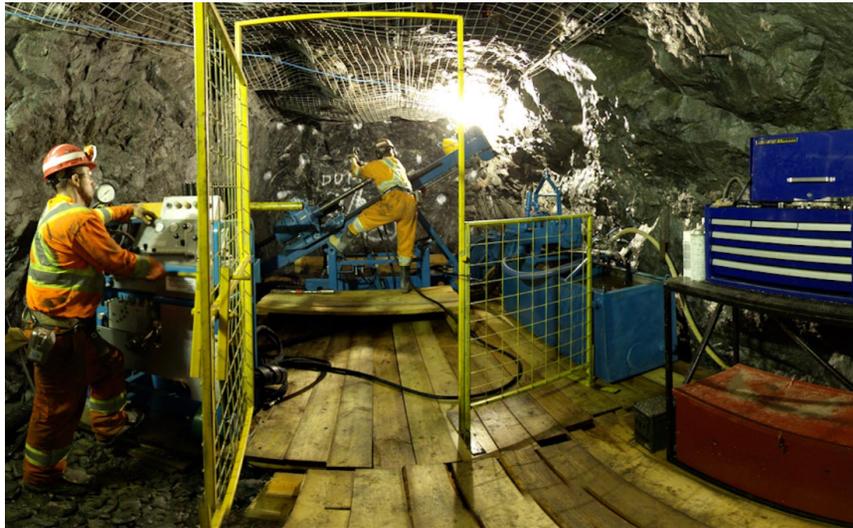
## MADSEN – STARRATT CORRIDOR

- 5 kilometre mineralized system
- Other targets to develop



# Madsen Gold Project

## PROJECT ENHANCEMENT OPPORTUNITIES



### Resource Expansion Potential

- Satellite resources to be disclosed in Q417
- Potential expansions of Madsen Mine

### Optimization of Mine Plan

- Investigate mechanized cut and fill and long hole mining methods
- Review ramp sequencing to optimize capital and delivery of higher grade material

### Greater Permitted Processing Capacity

- Existing Environmental Compliance Approval allows for operation of a 1,089 tonne per day mill and CIP circuit

### Grade Recovery

- Metallurgical test work to optimize gold recovery which historically averaged closer to 94%

# Madsen Gold Project

## NEXT STEPS

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- Project Development schedule to outline a **critical path to a production decision**
- **Continued underground drilling** from the existing Madsen ramp to test extensions to the current mineral resource
- **Continued surface drilling** aimed at identifying and extending new zones of gold mineralization, including the 8 Zone and Russet South
- Updated **mineral resource estimate in Q417** including satellite deposits
- Ongoing environmental baseline work to support operational permitting

# INVESTMENT HIGHLIGHTS

**High grade** deposit in a **proven mining jurisdiction**

Existing infrastructure on-site contributes to **positive economics**

**Proven management team** with experience in Red Lake region

**Strategic investors** onside

Actively growing resource through **aggressive exploration program**

**Near-term catalysts** with potential to add shareholder value



# APPENDIX

# Madsen Gold Project

## CURRENT MINERAL RESOURCE



Resource Classification	Tonnes	Grade g/t Au	Contained Gold (oz.)
<b>Indicated</b>	5,785,000	8.9	1,648,000
<b>Inferred</b>	587,000	9.4	178,000

The updated mineral resource estimate for Madsen is reported at a 4.0 g/t Au cut-off effective **August 2, 2017** <sup>(1)</sup>.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category. All figures have been rounded to reflect the relative precision of the estimates. Mineral Resources are reported at a cut-off grade of 4.0 g/t gold based on US\$1,200 per troy ounce gold and gold metallurgical recoveries of 92 percent.

(1) The resource estimate reported herein for the Madsen Gold Project is set out in the NI 43-101 technical report "Madsen Gold Project 2017 Mineral Resource" with an effective date of August 2, 2017.

# PROJECT DETAILS

- Underground mining via a combination of conventional cut & fill and shrinkage methods
- \$50.9 million in pre-production capital costs over a 12-month period
  - ✓ Majority of cost for mill upgrades, ramp and surface development
  - ✓ New ventilation and dewatering system which will utilize the existing shaft
- Existing Madsen portal provides ramp access to the top 150 m of mine workings
- PEA includes further development to 1430 m
- 92% gold recovery from historical averages

## PEA Sensitivities<sup>1</sup>

Gold Price (US\$/oz)	\$1,175	\$1,225	\$1,275	\$1,325	\$1,375
Pre-Tax NPV <sub>5%</sub> (C\$mm)	\$289	\$327	<b>\$365</b>	\$403	\$442
After-Tax NPV <sub>5%</sub> (C\$mm)	\$205	\$232	<b>\$258</b>	\$285	\$311
Pre-Tax IRR	44%	49%	<b>54%</b>	59%	64%
After-Tax IRR	38%	42%	<b>47%</b>	51%	56%
<b>Ex (C\$ to US\$)</b>					
Base Case US\$1,275/oz	1.15	1.20	1.25	1.30	1.35
Pre-Tax NPV <sub>5%</sub> (C\$mm)	\$287	\$326	<b>\$365</b>	\$405	\$443
After-Tax NPV <sub>5%</sub> (C\$mm)	\$204	\$231	<b>\$258</b>	\$285	\$312
Pre-Tax IRR	43%	48%	<b>54%</b>	59%	65%
After-Tax IRR	38%	42%	<b>47%</b>	51%	56%

## Parameters

Assumptions	
Gold Price	US\$1,275/oz
Exchange Rate (C\$ to US\$)	0.80
Production Profile	
Total Tonnes Milled	3.0 million
Diluted Head Grade	10.3 g/t
Mine Life	13.8 years
Daily mill commercial throughput	600 tpd
Gold Recovery	92%
Total Gold Ounces Recovered	911,497 ozs
Average Annual Gold Production	66,109 ozs
Peak Annual Gold Production	85,411 ozs
Average Annual Gold Production Years 3 – 9	75,466 ozs
Operating Costs	
Unit Operating Costs (per tonne processed)	
Mining Costs	\$155/tonne
Processing Costs	\$28/tonne
G&A	\$43/tonne
Average Cash Cost Years 3-9 <sup>(1)</sup>	US\$537/oz
LOM Average Cash Cost <sup>(1)</sup>	US\$595/oz
LOM Cash Cost plus Sustaining Cost	US\$714/oz
Capital Requirements	
Pre-production Capital Cost	\$50.9 million
Sustaining Capital Cost (Life of Mine)	\$134.7 million
Project Economics	
Royalties	None
Corporate Income Tax / Ontario Mining Tax	25% / 10%

(1) Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (US\$ to C\$) of 0.80. Cash cost includes mining cost, mine-level G&A, mill and refining cost. All currencies are reported in Canadian dollars unless otherwise specified.



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